

PURPOSE

To establish the Travel and Employee Expense Reimbursement Policy for the Michigan Department of Health and Human Services (MDHHS) and to provide guidance in interpreting the Standardized Travel Regulations issued by the Department of Technology, Management and Budget (DTMB), the Civil Service Commission(CSC), the Internal Revenue Service (IRS), and the State of Michigan Financial Management Guide (FMG). This policy also provides guidance on all non-travel employee expense reimbursements.

DEFINITIONS**Official Workstation**

The official work station (OWS) is the city and county surrounding the employee's work address (including home office locations) as designated by HRM location code or as otherwise indicated below.

Dual/Tri County Employees

The workstation is the city and county in which the employee's official workstation is located.

The Lansing, Grand Rapids, and Detroit workstations consist of the following:

Lansing Workstation

Lansing, East Lansing, Dimondale, Secondary Complex, Okemos, Haslett, Williamston, Grand Ledge, Potterville, Holt, Mason, Bath, and DeWitt.

Grand Rapids Workstation

Grand Rapids, East Grand Rapids, Ada, Cascade, Comstock Park, Georgetown Township, Grandville, Jenison, Kentwood, Walker, and Wyoming.

Detroit Workstation

Bounded by Fourteen Mile on the north, Inkster Road on the west, Pennsylvania Road on the south, and the Detroit River and Lake St. Clair on the east and contains the following cities: Allen Park, Berkley, Beverly Hills, Beverly Park, Bingham Farms, Centerline, Clawson, Dearborn, Dearborn Heights, Detroit, Eastpointe, Ecorse, Ferndale, Franklin, Fraser, Grosse Pointe etc., Hamtramck, Harper

Woods, Hazel Park, Highland Park, Huntington Woods, Inkster, Lathrup Village, Lincoln Park, Madison Heights, Melvindale, Oak Park, Pleasant Ridge, Redford Township, River Rouge, Roseville, Royal Oak, St. Clair Shores, Southfield, Southgate, Taylor, Warren, and Wyandotte.

Select Cities

Locations identified by the DTMB [Vehicle](#) and [Travel](#) Services (VTS) that qualify for higher reimbursement rates, lodging, and meals. Reimbursement for select city rates is based on the mailing address where the field assignment is located.

SIGMA Employee Self-Service

Process all employee reimbursements for: Time, Expense, Leave & Labor, in Sigma.

Travel Status

Business travel outside of the employee's OWS as defined in this item.

POLICY

It is the policy of MDHHS that managers, supervisors, and contract administrators have the responsibility for planning, authorizing, managing, and monitoring employees' travel to comply with this policy and applicable provisions of state travel regulations, policies, and procedures established by MDHHS, DTMB, CDC, FMG and the IRS.

The following procedures and regulations offer guidance in the application of departmental practices and clarify existing regulations by illustrative examples of state policies and procedures. The subject matter is in alphabetical order for easy reference.

This list comprises individual procedures and regulations that apply to all employees and contractual travelers.

Air Travel, Train Travel and Tickets

Commercial Airlines:

Air travel is limited to coach fares. First class or business class airfare will be allowable only under extreme emergencies

documented in writing and approved by the employee's deputy director prior to making the travel reservations.

All air reservations must be made through the state's contracted travel agency or over the internet at www.SOMtravel.com and charged to MDHHS's corporate account. Information on the State's contracted travel agency is found at the MDHHS Travel intranet page.

The arrival and departure dates may be extended to include extra weekend days if the stay results in a lower overall cost. Attach a cost analysis and comparison to the travel reimbursement request listing all costs (lodging, meals, etc.).

The airport locations used for arrivals and destinations must be the most economical and cost effective to the state of the locations available. When doing the comparison include flight, mileage to the non-workstation airport and the parking at each individual airport.

Additional costs incurred due to changing travel arrangements for the benefit of the employee or for employee preference are at the employee's expense.

In-State Air Travel

Due to the high costs of in-state air travel, a cost comparison of in-state air travel vs. driving must be submitted to accounting before booking an in-state air travel ticket through the state's contracted travel agency.

State Plane

A fleet of aircraft maintained by the Michigan Department of Transportation, Michigan Aeronautics Commission, is available to state employees whose workstation is in the Lansing area. Planes are furnished at actual cost and can be used for both in state and out-of-state travel.

Costs vary with the type of aircraft, flying time, and length of stay. Requests to travel by state plane should include cost comparisons with commercial aircraft or surface transportation. MDHHS financial operations director or designee must pre-approve the usage of state planes for travel. Once pre-approval is received, reservations can be made by calling 517-335-9986; see [5.1 in the Standardized Travel Regulations](#) and [State Aircraft](#). Employees could be held personally responsible for additional costs incurred when using the state plane without receiving pre-approval.

Train

Consider train travel vs. airline travel or vehicle when considering the most cost-effective mode of travel. This is most applicable when traveling to Chicago.

Audit

All the following reimbursement requests are audited, either via pre-audit or post audit:

- Reimbursement requests with out of state travel.
- Reimbursement requests over \$750.00.
- Reimbursement requests for non-travel expenses.

Pre-Audit

All MDHHS travel reimbursements will be pre-audited before reimbursement is processed ensuring compliance to:

- Standardized travel regulations.
- MDHHS travel and employee expense reimbursement policy.
- State of Michigan Administrative Guide to State Government.
- IRS Regulations.
- State of Michigan Financial Management Guide

Post-Audit

Reimbursement requests submitted without meal receipts will be subject to a random post audit. A minimum of 10 percent of the unaudited reimbursements will be post-audited. If accounting does not receive the requested meal receipts(s) within the timeframe given or if any reimbursements do not comply with any of the following, the meal(s) are from the employee's future paycheck in addition to any adjustments needed to the previously reimbursed amount:

- Standardized travel regulations.
- MDHHS travel and employee expense reimbursement policy.
- IRS Regulations
- State of Michigan Financial Management Guide.

The following items are for post-audit:

- One hundred percent of out of state travel reimbursements.
- One hundred percent of reimbursements over \$750.00.

- Random selection based on 10 percent of the remaining reimbursement requests not previously audited including meal receipts.

Adjustments identified during the post-audit process due to non-compliance, may trigger a post-audit for additional expense reimbursements for an employee.

Board or Committee Member Travel

All board and committee members must follow the:

- State of Michigan Standardized Travel Regulations.
- State of Michigan Administrative Guide to State Government.
- DTMB Schedule of Travel Rates.
- MDHHS Travel and Employee Expense Reimbursement Policy.
- IRS Regulations.
- State of Michigan Financial Management Guide

Payment requests for travel expenditures for board and committee members must clearly state on the payment request that the traveler is a member of the board or committee as well as the board or committee name.

Car Rental

All car rentals must be approved by the traveler's supervisor and the MDHHS financial operations director or designee before a reservation is made.

In State

Use state-owned or privately-owned cars for instate travel, not commercial car rentals except under unusual circumstances or emergencies when necessary to accomplish the mission of the department.

Out-of-State

A commercial car rental may be obtained, with prior accounting approval, to accomplish the mission of the department when:

- Traveling to two or more locations at destination for business purposes only.
- No public transportation or taxi/limo service is available.
- Unusual circumstances or emergencies are encountered.

For approved car rentals, employees will pay the car rental agency as with any travel expenditure and must attach the original receipt and copy of the car rental contract to the travel reimbursement request for reimbursement. The condition under which the reimbursement is claimed must also be noted on the reimbursement request.

Only the portion of the car rental needed for business purposes will be reimbursed.

**Case-by-Case
Review**

Any travel related issues not addressed in this policy will be handled on a case-by-case basis and may require the employee's deputy director approval before reimbursement is considered.

**Commuting vs.
Staying Overnight**

When a work assignment to the field will require more than one consecutive day's effort, an overnight stay is recommended for destinations 60 or more miles away from the employee's home and/or workstation, whichever is less. The decision to commute or stay overnight under these circumstances is left to the traveling employee's supervisor. If necessary, a cost comparison, listing all hotel, meals, and mileage expenses, can be done to determine the most cost-effective method as part of the basis for the decision. The cost comparison should be attached to the travel reimbursement request.

Overnight stays at destinations under 60 miles away from either the employee's home and/or workstation, whichever is less, require pre-approval from financial operations director or designee.

**Contract Employee
Travel**

All contract employees (including employees of contractors) are required to follow the:

- State of Michigan Standardized Travel Regulations.
- State of Michigan Administrative Guide to State Government.
- DTMB Schedule of Travel Rates.
- MDHHS Travel and Employee Expense Reimbursement Policy.
- IRS Regulations.
- State of Michigan Financial Management Guide

However, contract employees whose contract includes travel expenses cannot use the state's contracted travel agent to book airfare and hotels as their travel costs must be included in the contract.

Custodial Care

An employee may request for reimbursement the expenses incurred by a person in their custodial care as part of their official responsibilities. In this instance, the state rates and policies apply. The name(s) and case/patient number(s) of the person(s) in their custodial care must be listed on the travel reimbursement request along with the expenses incurred. Itemized receipts are required.

For custodial care travel, the total travel expenditure reimbursement for the employee and the person(s) in their care cannot exceed the total maximum rates per the [DTMB Schedule of Travel Rates](#).

Employee meals may be reimbursed in their workstation when also purchasing a meal for the custodial care person(s) during the meal times listed in the Standardized Travel Regulations.

**Documentation
Required**

Employees are responsible to retain all receipts and documentation for up to 7 years following the travel for IRS purposes. All documentation and receipts for reimbursements selected for audit must be attached to the email requesting documentation and

forwarded via email or fax to the MDHHS financial operations, Bureau of Finance and Accounting for the audit process. Due to the type of paper used for many receipts which result in the ink fading over time, travelers are advised to make copies of all receipts. MDHHS Financial Operations Bureau of Finance and Accounting is not responsible for lost or illegible receipts.

MDHHS Travel email address: MDHHS-Travel@michigan.gov

MDHHS Financial Operations Fax: 517-335-6457.

All receipts received by MDHHS financial operations, if not attached in SIGMA Employee Self-Service, will be scanned for record retention purposes which will meet the retention requirement for audit and IRS purposes.

The following documentation, when applicable, is required for audit purposes to be forwarded to MDHHS financial operations upon request. Items requiring documentation that are not attached will not be reimbursed.

- Receipts for lodging (must be itemized), and parking (charge card receipts are not acceptable).
- Conference/Meeting agenda.
- Cost analysis/comparison.
- Meal receipts (not required for reimbursement but are required upon request during post-audit).
- Request and denial from the state vehicle pool(s).
- Explanations if needed to justify reimbursement request if not included on the travel reimbursement request notepads.

MDHHS financial operations will not audit a reimbursement until the documentation and receipts have been received and reviewed. Failure to provide these receipts and other documentation upon request will result in the reimbursement being disallowed and due back to the state if previously paid.

**Essential and
Efficient Travel**

All reimbursement of travel expenses supported by funds administered by the Michigan Department of Health and Human Services shall be limited to that required for the essential and efficient conduct of state business according to the schedule of travel rates effective for each fiscal year. Travel shall be accomplished in a way the department has determined to be the most economical and effectively supports the purposes and objectives of the department and the state.

The employee is required, as the traveling representative of MDHHS, to use good judgment and common sense and to exercise prudent care in the exercise of responsibilities involving travel on departmental business.

Exceptions

Exceptions to this policy, identified during the accounting pre-audit process, are evaluated on an individual basis and will require MDHHS financial operations approval before reimbursement is considered.

**Financial
Enhancement**

Employees and contractual employees may seek reimbursement in accordance with applicable regulations to avoid the loss of personal funds in the conduct of state business; but they may not seek financial enhancement or benefit thereby.

Group Meetings

See [APA 231](#) for complete information regarding Group Meetings. Group meal rates are reimbursable only under the following conditions:

- Attendees are required to eat together as a condition of conference/meeting/training attendance.
- An itemized receipt must be provided.
- An approved agenda must be attached to the travel reimbursement request.

- The meeting lasts a minimum of 5 hours and occurs during the meal times as listed in the state standardized travel regulations.

When the meal is not provided by a catering service, employees are required to claim reimbursement for their own meals and must provide an itemized receipt. An employee cannot claim meals for other employees.

Home Address

A home address is used to determine applicable reimbursement rates as outlined under **Mileage** in this item. It is the individual's official place and county of residence as indicated by one of the following:

- Driver's license.
- Voter registration.
- Personnel records.

A home address cannot be listed as a post office box or place of public accommodation. A residence address different from a home address may be used if:

- It is the employee's customary abode during the work week.
- The employee regularly departs from and returns to the residence from a workstation or field assignment.

Hotels

Reimbursement is restricted to those in the schedule of travel rates. Maximum rates are listed in this schedule. Specialty accommodations are the employee's responsibility. Reimbursement is actual cost with an original receipt up to the state maximum rate.

Hotel reservations at or below the approved rate should be made by the traveler as the department incurs a charge from the state's contract travel agency for each reservation made. A listing of the DTMB preferred hotels with the negotiated rate and blackout date can be found at the DTMB web site and at the MDHHS intranet travel information website.

Hotel reservations over the approved rate must be made through the state's contracted travel agency or over the internet at www.SOMtravel.com. Information on the state's contracted travel agency can be found at the [MDHHS travel intranet page](#). The state's contracted travel agency confirmation email must be

included on the travel reimbursement request. Reimbursement is actual cost with a receipt and a copy of your confirmation attached to the reimbursement request. The only exception to this is when an individual stays at a conference hotel and the conference information is attached. Failure to go through the state's contracted travel agency will result in a maximum reimbursement at the state approved rate.

Requests for reservations should not be made for specific hotels based solely on the preference of the employee. Any additional costs over the state rate incurred due to these requests are the responsibility of the employee and will not be reimbursed.

Taxes are reimbursable in addition to lodging expense and should be included in the lodging total with an actual receipt.

In the event where a hotel stay is extended for personal use (weekend or beginning of annual leave), the lodging and meal reimbursement period will end at the close of business/end of conference on the last day of business travel.

An internet access fee will be reimbursed during the hotel stay when the fee is listed on the hotel receipt. Supervisory approval of the travel reimbursement request also includes the approval for the internet fee being required for official business.

Reimbursement will not be made for lodging at the homes or other locations owned by relatives and/or friends.

Hotel Direct Billing

Hotel direct billing is only allowed on a case-by-case basis and must be pre-approved by MDHHS financial operations. When hotel direct billing is not pre-approved, employees must pay for their own lodging and submit a reimbursement request in SIGMA Employee Self-Service.

Incidentals

Per the IRS, the term incidental expenses means fees and tips given to porters, baggage carriers and hotel staff. An explanation for the incidental expense must be listed on the reimbursement request to be reimbursed for incidental expenses.

Insurance

See [State Administrative Guide section 0820.01](#), and the [Standardized Travel Regulations](#).

Job Interviews

The department does not reimburse employees for travel expenses for job interviews.

Travel expenses for hard-to-fill departmental jobs may be authorized. Written prior approval must be obtained by agreement between the hiring deputy director and MDHHS human resources for both in-state and out-of-state travel.

**Meal
Reimbursement**

Meal reimbursement requires an itemized, legible, and unaltered receipt and is limited to the maximum amount listed in the schedule of travel rates. Receipts cannot be either a calculator tape or hand written without sufficient justification on the travel reimbursement request as to why a proper receipt was not provided to the employee. If indicated in the employee's union contract that meal receipts are not required, they may be retained by the employee but must be submitted to MDHHS Bureau of Finance upon request for audit purposes. Failure to provide the requested meal receipt(s) will result in the meal reimbursement being disallowed.

Meals must be purchased on the day of and during the times of travel for which the employee seeks reimbursement and must be only for items consumed by the employee during the travel period.

Only meal items intended for consumption during the travel period are reimbursable. Meal reimbursement requests cannot include the purchase of food intended for someone other than the employee or for meal outside of the travel period.

When qualifying for individual meals, an employee cannot have multiple receipts unless purchased within 1 hour of each other. When qualifying for all day meals based on travel times, an employee can choose how to distribute the cost throughout the day and claim up to the full amount by selecting all day meals.

Meals within an employee's home city and county or their OWS are not reimbursable unless they are authorized by sponsors of

conferences or official meetings; see *Group Meetings* and *Definitions* in this item.

Employees attending pre-arranged meetings or conferences at their home or official workstation can be reimbursed for their meals if the meeting or conference requires all attendees to eat together at the meeting site. The meeting must last a minimum of 5 hours and occur during the meal times as listed in the state standardized travel regulations. An itemized receipt and a copy of the agenda are required for reimbursement. An employee cannot claim meals for other employees.

No meal reimbursement will be issued for attendance at impromptu or informal meetings or conferences; see [APA 231, Group Meetings](#).

Meal tips are allowed only with sit-down meals and must be indicated on the receipt. Tips on take-out or at fast food restaurants are not reimbursable. Meal tips (maximum 20 percent) are included with the meal price in the maximum reimbursable amount.

Reimbursement for alcoholic beverages is not permitted.

Mileage

Reimbursable business mileage consists of business miles incurred with a personal vehicle while in travel status. Mileage between an employee's home and their OWS is personal commuting mileage and is not reimbursable; see *Definitions* in this item. Mileage driven to an employee's home for lunch is considered personal and is not reimbursable.

Employees assigned to the Lansing Workstation – Downtown complex will not be reimbursed for mileage and/or parking within the downtown complex.

Mileage between an employee's home and a second office may be reimbursable but taxable and is reviewed on a case-by-case basis.

State Vehicle Usage:

See the MDHHS Vehicle Policies and the [Vehicle](#) and [Travel](#) Services websites for state vehicle usage policies and procedures.

Carpooling:

Carpooling is encouraged at all times as a method of efficient travel. If carpooling, the employee must list the driver and the people in the vehicle as well as attach the DTMB Motor Pool denial, if applicable.

Personal Vehicle Usage:

Mileage (both standard and premium rates) will be paid in accordance with the [Standardized Travel Regulations](#).

To comply with the [DTMB Administrative Guide to State Government, Section 0410.01](#), MDHHS will accept the supervisor's approval as prior approval to use a personal vehicle.

Usage of a personal vehicle when a state vehicle is assigned to the employee is allowed only when the state vehicle is not available (for example, the car is in for maintenance or is being used by another employee) or it is determined to be the most cost-effective way of travel for a particular trip. An explanation must be included on the travel reimbursement request and be approved by the employee's supervisor. The permanently-assigned state vehicle must still be meeting the minimum mileage requirements and be available for other MDHHS employees to use.

Employees who refuse permanent assignment of a state vehicle or elect to turn in a currently assigned permanent state vehicle will only be reimbursed at the standard mileage rate.

Premium Mileage:

Drivers are eligible to receive premium mileage reimbursement when using a privately-owned vehicle for official state business if either:

- The driver has not refused the use of an available state motor vehicle.
- A state-provided motor vehicle is **not** available within the MDHHS workstation **and** within the DTMB motor pool. This must be noted on the travel reimbursement request and the written request and denial from the DTMB motor pool for that date(s) must be attached to be reimbursed for premium mileage. The written denial must be written to the person claiming reimbursement. Using a co-worker's denial or a denial for a different date is not acceptable.

Charges for gasoline, lubrication, repairs, antifreeze, towage, and other expenditures will not be allowed as reimbursable items when privately owned vehicles are used.

Usage of a personal motorcycle for state business is not allowed by MDHHS.

Commuting Mileage:

No mileage reimbursement will be allowed for travel between an employee's home address/residence and employee's official workstation, including weekends, and/or return to the office after hours.

Mileage driven to a commuter lot, common meeting point, etc., for carpooling purposes, can be considered commuting mileage and may not be reimbursed. This is reviewed on a case-by-case basis.

Mileage between an employee's home and a second office may be reimbursable, but taxable for IRS purposes, and is reviewed on a case-by-case basis.

Field Assignment Mileage:

The point-to-point mileage allowable for each field assignment must be the lesser of:

- Mileage from the employee's home (or residence) to the field assignment site and return to home.
- Standard point-to-point mileage from the employee's official workstation to the field assignment site and return to the work station.

Point-to-Point Mileage:

As required in the [Standardized Travel Regulations](#), the point-to-point mileage claimed must be in agreement with the current State of Michigan highway map, or the common miles for the point to point cities as listed in SIGMA Employee Self-Service. Departure cities, destination cities, and return cities must be included on the reimbursement request.

If a freeway route is faster but longer than a direct route, the longer distance will be allowed to save time. This exception should be noted on the reimbursement request and a supervisor should be notified, in advance if possible.

Vicinity Mileage:

Vicinity mileage is defined as vicinity mileage necessary for the conduct of official business in excess of the point-to-point mileage and must be shown on the reimbursement request separately from point-to-point mileage along with an explanation on the reimbursement request.

Persistent claims of vicinity mileage of any amount may be questioned and verification required. Employees should keep an account of all vicinity mileage to provide documentation if requested to do so.

**Move/Transfer to
Another
Workstation**

Expenditures incurred as a result of a move/transfer to another workstation must have prior written approval from human resources and be attached to the travel reimbursement request before reimbursement is considered.

**Official Work
Station**

The official work station (OWS) is the city and surrounding the employee's work address (including home office locations) as designated by HRM location code or as otherwise indicated on page one of this policy.

Out-Of-State Travel

When traveling on out-of-state on official business, a MDHHS-5811, Out-of-State Travel Requisition, must be completed and fully approved by the requester's administration deputy director prior to making any travel arrangements.

The approved MDHHS-5811 must be attached to the reimbursement request in SIGMA.

Due to SIGMA travel advance processes, out-of-state travel with a travel advance request must still be entered and fully approved through the Travel Authorization process in SIGMA Employee Self-Service prior to making any travel arrangements. When the out-of-state travel approval process is completed through SIGMA, the MDHHS-5811 does not need to be completed and attached.

Emergency out of state travel related to youth placement is exempt from this requirement. The reimbursement request must have an explanation stating it was emergency travel regarding youth placement.

This applies to all expenses incurred for out-of-state travel on behalf of the State of Michigan, regardless of the cost, funding source, or if the traveler is an employee, contractor, or other.

If using a mode of transportation other than airplane, a cost comparison must be completed before booking the reservations. A copy of the comparison must be attached to the travel reimbursement request.

To travel between an airport, hotel, and meeting locations(s), employees are to use shuttle transportation when available. Taxi cabs can be used if a shuttle is not available.

Overpayments

The department has the right to require repayment of any excess reimbursement of travel expenses and to recover those excess reimbursements through the payroll process.

Per Diem

Per diem status allows an employee to not be required to submit meal and lodging receipts for 24-hour periods of travel. Travel consisting of less than 24-hour increments will still require receipts.

Per diem includes meals, lodging, taxes, tips, and incidentals. Per diem does not include parking.

Employees may switch between the per diem reimbursement basis and the actual reimbursement basis one time per year. Annually, DHHS financial operations will request confirmation of all staff on per diem.

An employee on per diem status traveling out of state on official business may be reimbursed on either an actual or per diem basis. The employee must elect one basis for the entire trip.

Per diem reimbursement rates can be found in the Schedule of Travel Rates issued by DTMB-VTS. There are no per diem rates for select cities.

Employees wishing to be moved to per diem status must have supervisory approval and inform DHHS financial operations in writing before the per diem status will go into effect.

Personal Expenditures/ Leave

All personal expenditures incurred as a result of being on personal leave in conjunction with a state business trip will not be reimbursed.

Receipts

Itemized, unaltered receipts **are required** for all lodging, meal, and non-metered parking reimbursements unless otherwise indicated by union contract. Meal receipts may either be submitted with the reimbursement request or be retained by the employee until requested by accounting for random audit purposes. Credit card receipts are not acceptable as they do not itemize costs.

Itemized meal receipts must be submitted for reimbursement unless otherwise indicated per union contract.

If the employee's union contract allows, meal receipts may be retained by the employee but must be submitted to MDHHS Bureau of Finance upon request for audit purposes. Failure to provide the requested meal receipt(s) will result in the meal reimbursement being disallowed.

Meal receipts must list the date, time, business name, and city of purchase, along with an itemized list and cost of each item purchased. The meal purchase must occur during the employee's travel status. The actual cost of the meal and tips (maximum 20 percent) will be reimbursed up to the maximum amount listed in the travel rates.

Employees are responsible to retain all receipts and documentation for up to 7 years following the travel for IRS purposes.

All receipts and other (non-meal receipt) documentation required for reimbursements must be attached in SIGMA Employee Self-Service. When scanning and attaching is not available forward via email or fax to the MDHHS financial operations for the audit process. Due to the type of paper used for many receipts which result in the ink fading over time, travelers are advised to make

copies of all receipts. MDHHS financial operations is not responsible for lost or illegible receipts.

MDHHS Travel email address: MDHHS-Travel@michigan.gov

MDHHS Financial Operations Fax: 517-335-6457.

All receipts received by MDHHS financial operations will be scanned for record retention purposes which will meet the retention requirement for audit and IRS purposes.

Legible, unaltered receipts must be attached for all claimed items of (non-meal receipt) expenses where receipts are required by the regulations, policies, and/or procedures. Receipts cannot be either a calculator tape or hand written without sufficient justification on the travel reimbursement request as to why a proper receipt was not provided to the employee.

In the event a restaurant receipt does not have the required information (such as the city, itemized purchases, etc.), an employee may write in the required information provided the existing information is not altered.

Parking receipts are required for all claims except metered parking. Metered parking must be clearly identified as such on the travel reimbursement request.

Lodging receipts must show the hotel name and address, room rate and the tax amount separate. In the instance where the lodging receipt does not clearly show the total amount charged to the employee, accounting will require a copy of the employee's credit card statement for additional documentation.

Lodging receipts must also show the hotel was paid in full with a zero balance remaining.

Public transportation receipts are required for all taxi cab and shuttle claims. The actual cost of the transportation and tips (maximum 20 percent) will be reimbursed provided the amounts are included on the receipt.

Claims without required non-meal receipts will not be paid. Charge card receipts alone are not acceptable as they are not itemized. You must have a vendor receipt. Accounting may question receipt copies on an as-needed basis.

Reimbursement

All employee reimbursements and travel advance requests:

- Must be processed through the web-based SIGMA Employee Self-Service.
- Must be processed through a standard minimum approval process of employee, supervisor, and MDHHS financial operations. Additional levels of approval can be established per employee as directed by a bureau director.
- Will be audited by MDHHS financial operations as indicated under the Audit Section.
- Must be paid through SIGMA Employee Self-Service and the payroll process.

Reimbursement will occur through the web-based SIGMA Employee Self-Service. Reimbursements will be included on the employee payroll checks and/or EFT deposit. Reimbursements must be fully approved through the system approval path process by Tuesday night of a non-payroll week to appear with the next payroll payment.

Consecutive days travel must be inputted as one expense into SIGMA Employee Self-Service.

Overnights must be indicated on the request. If lodging is being provided by an outside entity, the information must be provided with the attachments.

To ensure available grant funding and to aid with budget processes, reimbursement requests should be submitted and approved within 60 days from when the expenses were incurred to ensure proper available funding. Reimbursements submitted after 60 days from when the expenses were incurred will result in 100 percent of the reimbursement request being subject to tax withholding; see **Taxes** in this item.

Reimbursement requests for a travel period where a temporary travel advance has been issued must be entered and approved within one month from the last date of the travel period. Failure to do so will result in the advance being pulled back and offset with the employee's payroll.

An employee cannot be reimbursed for another employee's expenses. Each employee must submit their own travel reimbursement request.

Third Party Reimbursements are allowed in certain instances when the state employee travel will be reimbursed by a non-State of Michigan entity. When this occurs, state employees must:

- Submit travel expenses in SIGMA Employee Self-Service.
- Ensure the third-party reimbursement, payable to the State of Michigan, is received and forwarded to MDHHS financial operations.

Ride Sharing

Ride sharing should be explored to reduce travel costs when two or more staff will be visiting the same sites during the month. In general, the economic benefits of ride sharing increase with distance.

Standardized Travel Regulations

The reimbursement of expenses shall be made in accordance with the Michigan Department of Health and Human Services Travel and Employee Expense Reimbursement Policy and with the Standardized Travel Regulations issued by the Department of Technology, Management and Budget and the Civil Service Commission. The rate schedule issued by DTMB lists the maximum amount that may be reimbursed, but only expenses incurred may be claimed. That is, travel reimbursement requests must show only actual costs incurred (not to exceed the rate schedule), not the maximum reimbursement amount.

State Vehicle Usage

Please see the [MDHHS Vehicle Policies](#) and the [Vehicle and Travel](#) Services website for state vehicle usage policies and procedures.

Taxes

Federal income taxes on day trip meal reimbursement (non-overnight) and other taxable travel (non-overnight) are withheld and automatically deducted from travel reimbursement due to IRS regulations. The reimbursement and associated taxes withheld are reported on the employee's W-2.

Reimbursement requests submitted after 60 days of when the expenses were incurred no longer qualify to be under an IRS accountable plan. This will result in 100 percent of the reimbursement request being subject to tax withholding. If an employee submits a reimbursement request more than 60 days after the expenses were incurred, taxes will be withheld. The employee then has the option to file these costs as business expenses on their tax return.

Travel Advances

Travel advance payments will occur through SIGMA Employee Self-Service and will be included on the employee payroll checks and/or electronic funds transfer (EFT) deposit.

Travel advance requests must follow SIGMA procedures by submitting through the travel authorization process and fully through the approval path process by Friday night of a payroll week to appear with the next payroll payment.

Submission of a travel advance request does not guarantee the advance request will be approved and issued.

The social welfare fund is not to be used for travel advances or early payment of an expense reimbursement.

Temporary:

The travel advance request must be submitted at least 3 weeks before the trip begins and fully through the approval path process by Friday night of a payroll week to ensure receiving the advance before the trip begins. No temporary travel advances will be approved if the payment will be received after the travel begins. Fully approved temporary travel advances will not be issued for less than \$250.00.

Travel advances will only be issued if the employee's reimbursement submissions are current.

Only one temporary advance can be issued at one time to an employee. If more than one temporary advance is needed, an explanation must be included.

Temporary travel advances cannot be issued for travel periods longer than 3 weeks.

Travel advances may be requested for meals, lodging, and/or mileage. An explanation for the advance request is required and must include the estimated dollar amount for the full trip on the travel authorization. Travel advances may not be requested for airfare, conference registration fees, tips or expenses paid by another entity. Airfare must be charged through the state's contracted travel agency. Registration fees must be paid in advance on the state procurement card.

If the travel advance is issued for more than the travel reimbursement request, the over advanced amount will be recovered via a payroll adjustment.

Regular travelers who repeatedly request temporary travel advances for their normal business travel, will have their temporary travel advance request modified and processed as a permanent travel advance.

Permanent:

Permanent travel advances may be issued to employees whose duties require them to travel regularly on state business. The maximum amount of an advance is limited to expenses for four weeks' meals, lodging, and related personal vehicle expenses and is usually not issued for amounts less than \$250.00.

On an annual basis, accounting will perform a review to ensure the permanent advance amount is still warranted. Any amounts deemed unnecessary will be recovered via a payroll adjustment. Outstanding travel advances (both temporary and permanent) are confirmed by the employee each time they submit an expense reimbursement request in SIGMA Employee Self-Service.

When an employee has a permanent advance, a temporary advance will be issued only in case of traveling to attend a conference.

An employee that is no longer needing a temporary or permanent travel advance or is departing from the Michigan Department of Health and Human Services must contact accounting immediately regarding repayment of any outstanding advance.

Travel Discounts

Travelers should identify themselves as state employees and take advantage of those facilities that offer discounts.

Travel Scheduling

Travel should be arranged by geographic area and on consecutive days in order to reduce overall mileage and travel time.

Year End

Travel reimbursement requests for the period ending September 30th of any year must be fully approved through the SIGMA approval process, generally by October 5. Slight year-to-year deviations from this date may occur and will be enumerated in year-end instructions issued by MDHHS financial operations. Travel reimbursement requests submitted after the year-end closing deadline may not be regarded as payment obligations and may not be reimbursed.

REFERENCES

[State of Michigan Administrative Guide to State Government](#)

Department of Technology, Management and Budget, [Vehicle](#) and [Travel](#) Services

State of Michigan Standardized Travel Regulations

State of Michigan Financial Management Guide

IRS Regulations

CONTACT

For additional information concerning this policy, contact MDHHS Financial Operations MDHHS-Travel@michigan.gov.